Report on Ph.D. Thesis Defence

Ph.D. Candidate	Thanabalasingam Vinayagathasan
Main referee	Roberto Leon-Gonzalez
Referees	Julen Esteban-Pretel
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Dissertation Title	Economic Growth and Monetary Policy in Asian Developing Economies

Result: Pass (subject to minor changes)

1. Abstract

Presentation and Results:

1. Mr. Vinayagathasan presented an overview of his thesis for about 1 hour.
2. The presentation was followed by a series of comments and questions by the examiners.
3. The Examination Committee met immediately after the presentation, chaired by Professor Sonobe. After discussion and scoring the Committee decided that both the contents of the thesis and its public defence were satisfactory for conferring the doctoral degree. It was further agreed that some minor changes in the thesis would improve it. It was, therefore decided that
    1. Revisions recommended by the individual examiners would be made to the dissertation before the final submission.
    2. Associate Professor Leon would be responsible for scrutinising and approving the revisions.

Summary of thesis

The thesis is composed of 3 chapters. The first chapter analyses the determinants of growth using a panel dataset of Asian developing countries. It pays particular attention to the possibility that inflation has a non-linear effect on growth. It uses modern econometric techniques to estimate the threshold level above which inflation will impact on growth. It finds that inflation levels beyond 5.43% hurt economic growth, whereas inflation levels below that threshold do not have any impact. This first chapter has been

already accepted for publication in *Journal of Asian Economies*.

The second chapter uses the same dataset as the first chapter, but uses Bayesian Model Averaging to take into account the sensitivity of results to model specification.

This chapter has been submitted for publication.

The third chapter analyzes monetary in Sri Lanka using Structural VAR. It will be submitted for publication soon.

2. Result /Notes from the Examining meeting / Final Evaluation

Associate Professor Esteban-Pretel commented that

1. Why do you mix real variables with nominal variables in the analysis?
2. Why do you use CPI inflation rather than the GDP deflator?
3. Why do you use CPI in level rather than Inflation?

Assistant Professor Ikeda asked the following:

1. Why did you not consider the structural break in the Unit root test?
2. Did you check for cointegration of the series?

Associate Professor Kakamu asked the following:

1. Why do you compare frequentist test with BMA?
2. Why do you not estimate Time varying SVAR and Bayesian SVAR?
3. How long does GAUSS program take for the estimation?

Professor Sonobe asked that:

1. On what basis have you chosen the countries in the sample?
2. What definition of underdevelopment are you using?
3. Why this choice of regressors?
4. Given the various analysis, what can we say about the conditional convergence of countries. Are they conditionally converging or not?

Mr Vinayagathasan has made the changes recommended by the examination committee members and has written a report of the changes, which I attach below. I have gone through the thesis, examining the alterations made and I am satisfied that he has implemented the recommendations of the examination committee.